

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 603 – SB 595

April 5, 2011

**SUMMARY OF AMENDMENT (005128):** Deletes the original bill. Creates a Level 1 adult care home license and establishes standards for education, experience, and training requirements to be promulgated by the Board for Licensing Health Care Facilities. Establishes minimum personnel standards for adult care home providers prior to licensure as a Level 1 facility.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- The bill as amended expands the facilities in which services can be provided thus increasing the alternatives available to individuals who would receive care in nursing homes. Adult care homes offer a lower cost residential alternative to persons who can no longer live alone and who do not have family or other caregivers to assist them.
- According to the Bureau of TennCare, reimbursement of long-term care services, including adult care homes, nursing homes, and home- and community-based services, are part of an integrated at-risk system. Any costs incurred due to the utilization of a Level 1 adult care home will be offset by rebalancing expenditures for more expensive nursing home services. The net fiscal impact to TennCare is estimated to be not significant.
- The Board for Licensing Health Care Facilities will be responsible for promulgating rules that meet the required standards for the newly created Level 1 adult care home licensure. Any necessary rulemaking can be accomplished during a regularly scheduled board meeting.
- Any increase in expenditures incurred by the Board to issue the appropriate licenses will not be significant and will be covered through application fees charged to the providers.

- Pursuant to Tenn. Code Ann. § 68-11-216, the Board for Licensing Health Care Facilities is required to be self-supporting over a two-year period. The Board for Licensing Health Care Facilities had a balance of \$392,654.16 in FY09-10 and a balance of \$110,798.34 in FY08-09.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml